

OFFICIAL FILE UG & E ILLINOIS INC.
ILLINOIS COMMERCE COMMISSION
ILLINOIS - ARES APPLICATION

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ORIGINAL

GENERAL

1. Applicant's name and street address: **UG & E ILLINOIS INC.**
25 Sheppard Avenue West, Suite 1600
Toronto, Ontario M2N 6S6

2. Related Information:

(a) Type of business entity: [corporation, LLP, LLC, etc.]

CORPORATION

(b) Jurisdiction in which and under whose laws business entity was created

DELAWARE

(c) Other names under which Applicant does business (D/B/A)

UNIVERSAL GAS & ELECTRIC ILLINOIS

(d) Federal Employer Identification Number: 98-0552081

(e) Registered Agent in Illinois:

David T. Brown
Much Shelist
191 N. Wacker Drive, Suite 1800
Chicago, IL 60606
Direct Dial 312-521-2754
Fax Number 312-521-2854
DBrown@muchshelist.com

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ILLINOIS
COMMERCE COMMISSION

3. Contact Persons for the following:

(a) issues related to processing this application

Michael Silver 416-225-4115 Fax: 416-221-4787
General Counsel misilver@universalenergy.ca
Suite 1600, 25 Sheppard Avenue West, Toronto, ON M2N 6S6

Ellen Deyell 416-225-4115 Fax: 416-221-4787
Paralegal edeyell@universalenergy.ca
Suite 1600, 25 Sheppard Avenue West, Toronto, ON M2N 6S6

Nino C. Silvestri 416-673-1162 Fax: 416-981-3085
Chief Operating Officer nsilvestri@universalenergy.ca
Suite 1605, 25 Sheppard Avenue West, Toronto, ON M2N 6S6

	<p>(b) issues related to retail customers, including complaint resolution</p> <p>Jon Drummond 416-673-4780 Fax: 1-866-393-6835 Director, Commercial and Regulatory Affairs jdrummond@universlenergy.ca Suite 1700, 25 Sheppard Avenue West, Toronto, ON M2N 6S6</p>
	<p>(c) technical issues, including scheduling of generation, transmission, and distribution, and issues arising from relationships with other providers of electric services</p> <p>Steve Browne 416-673-4765 Fax: 416-673-4790 Vice President, Information Services sbrowne@universalenergy.ca Suite 1605, 25 Sheppard Avenue West, Toronto, ON M2N 6S6</p>
	<p>Provide each contact person's name, title, mailing address, telephone number, facsimile number, and e-mail address.</p>

4.	License to do business in the State of Illinois – see Attachment 4
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5.	N/A
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6.	<p>Description of Applicant's business.</p> <p>UG & E Illinois Inc. was incorporated in Delaware on October 2, 2007 and is a wholly-owned subsidiary of UG & E Holdings Inc. (Delaware), which is a wholly-owned subsidiary of Universal Energy Corporation, incorporated under the laws of the <i>Business Corporation Act</i> (Ontario) in 2004 (collectively, "Universal").</p> <p>Universal's business currently involves: (i) the sale of electricity and natural gas in the province of Ontario and natural gas in the province of British Columbia, to residential, small to mid-sized commercial and small industrial customers; and (ii) the sale of natural gas in the state of Michigan to residential, small to mid-sized commercial and small industrial customers. Universal has been certified to market electricity in the state of Texas to residential, small to mid-sized commercial and small industrial customers and has also gained eligibility in the state of New York for the sale of natural gas and electricity to residential, small to mid-sized commercial and small industrial customers.</p> <p>Universal's customers purchase electricity and natural gas under long term, non-terminable (except in limited circumstances) energy contracts, typically for a term of five years. By fixing the price of natural gas under Universal's gas contracts and by obtaining price protection under its electricity contracts for a period of five years, Universal's customers eliminate or reduce their exposure to changes in natural gas and electricity prices. Universal is able to secure operational margins per residential customer equivalent with reasonable certainty by purchasing energy in large quantities at a fixed price in case of natural gas, or through electricity swaps in the case of electricity, and selling energy to customers under fixed price or price protected energy contracts.</p>
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7.	UG & E Illinois wishes to be authorized in the entire state of Illinois in order to offer its services as an electric and natural gas retailer to residential, small commercial and large commercial customers.
8.	UG & E Illinois proposes to sell electricity and natural gas to residential, small to mid-sized commercial and small industrial customers.
9.	UG & E Illinois will provide proof of notification to each utility for the service areas it intends to serve.
10.	<p>Applicant certifies that it:</p> <ul style="list-style-type: none">a) UG & E Illinois Inc. will comply with all applicable Federal, State, regional and industry rules, practices, policies, procedures and tariffs for the use, operation, maintenance, safety, integrity, and reliability of the interconnected electric transmission system including the Open Access Same-time Information System (OASIS) and the rules and operating guidelines and procedures of the regional or national electric reliability council(s) or organization(s) and their successors for any portion of the state in which the UG & E Illinois Inc. is certified to provide retail electric service.b) UG & E Illinois Inc. will provide service only to retail customers that are eligible to take delivery services.c) UG & E Illinois Inc. will comply with informational and reporting requirements that the Commission may by rule establish.d) UG & E Illinois Inc. will comply with informational and reporting requirements that the Commission may establish regarding the provision of information required by Section 16-112 – Determination of Market Value - of the Act.e) UG & E Illinois Inc. will comply with all other applicable laws and regulations and Commission rules and orders.f) UG & E Illinois Inc. will comply with all terms and conditions required by Sections 16-115A(a), (b), and (f), 16-119, 16-123, 16-125(b) and (c), 16-127, and 16-128(a) of the Act, to the extent those Sections have application to the services being offered by the UG & E Illinois Inc.
10.	<ul style="list-style-type: none">g) UG & E Illinois Inc. will not (i) enter into or employ any arrangements which have the effect of preventing a retail customer with a maximum electrical demand of less than one megawatt from having access to the services of the electric utility in whose service area the customer is located or (ii) charge retail customers for such access.
11.	UG & E Illinois Inc. agrees to submit good faith schedules of transmission and energy in accordance

	with applicable tariffs.
12.	UG & E Illinois Inc. agrees to adopt and follow rules and procedures ensuring that authorizations received from customers, customer billing records, and requests for delivery service transmitted to utilities will be retained for a period of not less than two years after the calendar year in which they were created. UG & E Illinois Inc. also confirms that records will be made available to the Commission or its Staff on a confidential basis, as necessary to carry out the Commission's obligations under the Act.
13.	See Attachment 13 – Privacy Policy
14.	N/A
15.	Attachment 15 sets out the names and addresses of all of Applicant's affiliated companies involved in electric retail sales or purchases in the North America.
16.	UG & E Illinois Inc. certifies that it complies with Section 16-115(d)(5) of the Act, that it will remain in compliance with such requirements, and that it will annually certify such compliance to the Commission during January of each year after its certification.
17.	UG & E Illinois Inc. will execute and maintain a license or permit bond in the name of the People of the State of Illinois issued by a qualifying surety or insurance company authorized to transact business in the State of Illinois and further certifies that the amount of the bond shall equal the amount specified in Part 451.50(a) for the appropriate group of customers UG & E Illinois Inc. seeks certification to serve.
18.	Financial Statements are attached as Attachment 18.
19.	UG & E Illinois will not provide electric power and energy with property, plant and equipment that it owns, controls, or operates.
20.	UG & E Illinois Inc. will not use electric generation, transmission or distribution facilities that it owns, controls or operates in serving customers.

21.	<p>Managerial Qualifications set forth in the following attachments:</p> <ul style="list-style-type: none">(i) Attachment 21, Exhibit A - Corporate Organizational Chart; and(ii) Attachment 21, Exhibit B - Resume of key personnel providing information as to how each managerial requirement is being met.
22.	<p>UG & E Illinois Inc. will rely on one or more agents or contractors to meet the technical and managerial requirements of Part 451.330 and 451.340. Please see Attachment 21. UG & E Illinois Inc. certifies that each such agent or contractor will comply with all the sections of Part 451 that are applicable to the functions to be performed by the respective agent or contractor.</p>
23.	<p>UG & E Illinois Inc. does not intend to provide single billing services.</p>
24.	<p>UG & E Illinois Inc. certifies that its marketing materials adequately disclose the prices, terms and conditions of the products or services that it is offering or selling to the customer.</p>
25.	<p>UG & E Illinois Inc. certifies that before any customer is switched from another supplier, it will give the customer written information that adequately discloses, in plain language, the prices, terms and conditions of the products and services being offered and sold to the customer.</p>
26.	<p>UG & E Illinois Inc. certifies it will provide documentation to the Commission and to customers that substantiates any claims made by UG & E Illinois Inc. regarding the technologies and fuel types used to generate the electricity offered or sold to customers.</p>
27.	<p>UG & E Illinois Inc. certifies it will provide to the customer itemized billing statements that describe the products and services provided to the customer and their prices; and an additional statement, at least annually, that adequately discloses the average monthly prices, and the terms and conditions, of the products and services sold to the customer.</p>
28.	<p>UG & E Illinois Inc. certifies that it will include materials comprising the consumer education program (pursuant to Section 16-117 of the Act [220 ILCS 5/16-117]) with all initial mailings to potential residential and small commercial retail customers and before executing any agreements or contracts with such customers, and that Applicant will provide these materials at no charge to residential and small commercial retail customers upon request.</p>
29.	<p>UG & E Illinois Inc. certifies that it will provide to residential and small commercial retail customers on a semiannual basis information on how to obtain a list of alternative retail electric suppliers that have been found in the last 3 years by the Commission (pursuant to Section 10-108 of the Act [220 ILCS 5/10-108]) to have failed to provide service in accordance with the terms of their contracts (pursuant to Section 16-117(g)(4)(c) of the Act). [451.310(f)].</p>

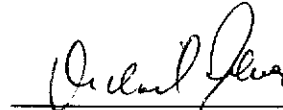
APPLICATION SIGNATURE PAGE

WHEREFORE, Applicant requests that the Commission grant its application for service authority to serve residential, small commercial and large commercial customers in the state of Illinois.

Respectfully submitted,

UG & E ILLINOIS INC.

By:



Michael N. Silver
General Counsel

Name of Attorney:

Michael N. Silver

Address of Attorney:

1600, 25 Sheppard Avenue West
Toronto, Ontario, Canada M2N 6S6

Attorney's Telephone Number:

416-225-4115

Attorney's Fax (optional):

416-221-4787

Attorney's E-mail (optional):

misilver@optuscapital.com

VERIFICATION

PROVINCE OF ONTARIO)
)
COUNTY OF YORK)

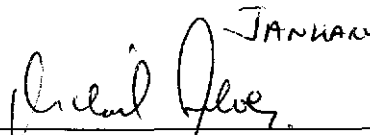
ss:

Nino C. Silvestri, being first duly sworn, deposes and says that he is the Chief Operating Officer of UG & E Illinois Inc.; that he has read the foregoing Application of UG & E Illinois Inc., and all of the attachments accompanying and referred to within the Application; and that the statements contained in the Application and the attachments are true, correct and complete to the best of his knowledge, information and belief.



Nino C. Silvestri

Subscribed and sworn to before me
this 30 day of October, 2007. 8 ms



Notary Public

[Stamp of Notary]

